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Working Group

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Abstract

Boosting the effectiveness and productivity of the public sector is considered one of the most significant reforms a government can pursue in order to help raise the quality of life and standard of living. There is no doubt that rampant public corruption severely compromises a government's ability to achieve this objective.

The level of public corruption in Israel, relative to the world, as expressed in indexes that examine the level of corruption perceived by experts and the public and indexes that examine factors related to corruption, such as the ease of doing business, is not encouraging. Efforts should be made to curb corruption wherever it exists, because the repercussions of the various patterns of corruption—including injury to human life, profound harm to democratic values, damage to the national economy and the wellbeing of citizens, reinforcement of inequality, and a decline in trust vis-à-vis government institutions—are extremely negative.

Israeli society ostensibly faces a cruel choice between governance and incorruptibility. On the one hand, intensive government action coupled with broad discretionary powers leads to government corruption and public scandals; and on the other hand, strict adherence to incorruptibility, rules, procedures, oversight, and enforcement (in other words, a fight against public corruption) can lead to a lack of governance, paralysis, and harm to democracy. Our working assumption is that it is possible to achieve both governance and incorruptibility and that we should aspire to achieve both.

In order to produce an ability to govern while at the same time preventing corruption, we propose creating a new Israeli ethos about public corruption. This ethos would require a new systemic and multidisciplinary approach that takes account of economic, organizational, managerial, psychological, and cultural aspects instead of the patchwork approach that is standard in Israel today.

Unfortunately, Israeli society's attention tends to be focused on combating criminal corruption (illegal, of course) through traditional means of legislation, enforcement, and punishment. But there is also public corruption, which is multifaceted. One feature of public corruption is that it can be lawful. This raises fundamental questions, such as: How should we regard large contributions to a candidate for public office that are designed to influence the way the candidate performs his or her job if and when elected? How should we relate to lobbyists who curry favor with a particular elected official? How should we relate to a senior official in a public organization who gives preferential treatment to the organization's donors?

This paper focuses on "white corruption" (actions perceived by decision-makers and public opinion as tolerable corruption, even though perhaps it should not be tolerated) and "gray corruption" (actions

about which there is no consensus among decision-makers and public opinion as to how corrupt they are). The assumption is that "black corruption" (actions perceived as corrupt by both decision-makers and public opinion) is handled by the law-enforcement system. Legal or institutional corruption has a systematic and strategic influence, which is legal and may even considered to be ethical at a particular time—and which undermines the effectiveness of a public institution by diverting it from its purpose or by weakening its ability to achieve its objective. This may include undermining the institution's inherent trustworthiness or the public's trust in it.

The new conceptualizations of corruption emphasize that the causes of corruption do not necessarily include decision-makers' and public officials' deficient morality. Instead, these factors are rooted in the institutional structures and the political culture. Severe punishment does not suffice to reduce and eliminate corruption. Rather, it is essential to identify the deep-rooted factors that sometimes lead even those who are basically honest to act improperly. Action must then be taken to change the institutional structures and culture that engender legal corruption.

In order to effect the desired change in institutional structures and culture, essential questions must be addressed: What can be done to foster an ethos of faithfulness to the public? How can elected officials and public servants be made to understand the great importance of efficiency and fairness in performing their jobs, contrary to the approach that views a public position as a means for acquiring personal benefits or ensuring personal survival?

The professional literature on the topic of legal corruption is still in its infancy. This paper proposes an initial framework for understanding the factors behind legal corruption and describes strategies for addressing it.

The proposed model distinguishes among several types of corruption:

- Individual rational corruption, stemming from the expectation of benefit versus the slight chance of being caught and punished

- Individual dispositional corruption, stemming from personality traits that make a person more inclined to cheat

- Institutional corruption, caused by institutional flaws that pose difficulties for officials and cause them to act improperly

- Corruption as dependence, found when a public institution is inappropriately dependent on certain entities

- "Political" corruption as the result of power struggles between interest groups.

Strategies for the solution include:

- Conservative strategies of legislation, enforcement, and punishment

- Strategies of education and human resources

- Organizational and managerial strategies

- Economic strategies

- Consciousness strategies

A comprehensive and multidisciplinary approach to legal corruption could produce real change in the effectiveness of the public sector in Israel.